

FILED
FEB 26 2008
DEPARTMENT OF REAL ESTATE



BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of) NO. H-25939 LA
KENNETH MICHAEL STREM,)
Respondent.)

ORDER GRANTING REINSTATEMENT OF LICENSE

On May 29, 1996, a Decision was rendered herein revoking the real estate salesperson license of Respondent, but granting Respondent the right to the issuance of a restricted real estate salesperson license. A restricted real estate salesperson license was issued to Respondent on or about September 18, 1996.

On or about September 8, 2004, Respondent petitioned for reinstatement of Respondent's real estate salesperson license and the Attorney General of the State of California has been given notice of the filing of said petition.

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1
2 I have considered the petition of Respondent and
3 the evidence and arguments in support thereof. Respondent
4 has demonstrated to my satisfaction that Respondent meets
5 the requirements of law for the issuance to Respondent of
6 an unrestricted real estate salesperson license and that it
7 would not be against the public interest to issue said license
8 to Respondent.

9 NOW, THEREFORE, IT IS ORDERED that Respondent's
10 petition for reinstatement is granted and that a real estate
11 salesperson license be issued to Respondent if Respondent
12 satisfies the following conditions within nine (9) months from
13 the date of this Order:

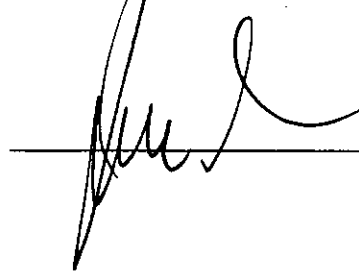
14 1. Submittal of a completed application and payment
15 of the fee for a real estate salesperson license.

16 2. Submittal of evidence of having, since the most
17 recent issuance of an original or renewal real estate license,
18 taken and successfully completed the continuing education
19 requirements of Article 2.5 of Chapter 3 of the Real Estate Law
20 for renewal of a real estate license.

21 This Order shall become effective immediately.

22 DATED: 2/20/02

23 JEFF DAVI
24 Real Estate Commissioner

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1 I have considered Respondent's petition and the
2 evidence submitted in support thereof. Respondent has failed to
3 demonstrate to my satisfaction that Respondent has undergone
4 sufficient rehabilitation to warrant the reinstatement of
5 Respondent's real estate salesperson license, in that:

6 I

7 The Decision which revoked Respondent's real estate
8 salesperson license pursuant to Section 10177(g) of the Business
9 and Professions Code ("Code") was based on a determination that
10 Respondent was negligent or incompetent, while acting as an
11 agent in a real estate loan transaction.

12 The facts underlying said determination were as
13 follows: Respondent had informed a prospective borrower that
14 he could get the borrower a loan for certain specific terms
15 and at a specific interest rate which would be locked in.
16 Two months later the borrower learned that Respondent had not
17 obtained a loan and had not locked in the interest rate.

18 II

19 Respondent has not provided proof of completion of
20 or enrollment in educational or vocational training programs.
21 This evidences lack of rehabilitation and is cause to deny
22 Respondent's petition pursuant to Section 2911(h), Title 10,
23 Chapter 6, California Code of Regulations ("Regulations").
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III

1 Respondent has not provided proof that he has paid a
2 \$15,739.21 debt which he had previously borrowed for a business
3 venture. This evidences lack of rehabilitation and is cause to
4 deny Respondent's petition pursuant to Regulation 2911(i).
5

6 IV

7 A Deputy Real Estate Commissioner ("Deputy") scheduled
8 an interview with Respondent (verbally and by letter) to discuss
9 his Petition Application. Respondent failed to appear for the
10 interview and failed to notify the Deputy of any scheduled
11 changes. This evidences lack of rehabilitation and is cause to
12 deny Respondent's petition pursuant to Regulation 2911(m) (1).
13

14 V

15 Respondent has not submitted evidence of a change in
16 attitude from family members, friends or other persons familiar
17 with his previous conduct and with his subsequent attitudes and
18 behavioral patterns. This evidences lack of rehabilitation and
19 is cause to deny Respondent's petition pursuant to Regulation
20 2911(m) (2).
21

22 VI

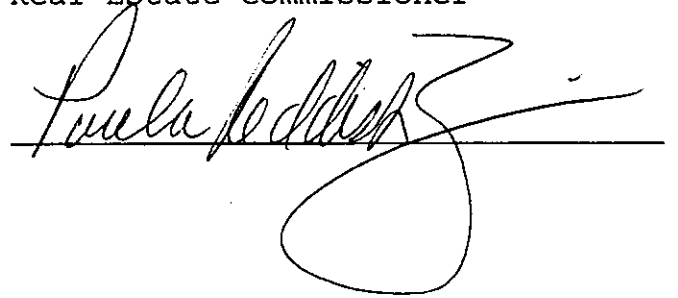
23 Due to the serious nature of the misconduct which led
24 to the loss of Respondent's real estate salesperson license,
25 combined with the facts set forth in Paragraphs II through V,
26 it has not been established that Respondent is now fully
27 rehabilitated.

1 NOW, THEREFORE, IT IS ORDERED that Respondent's
2 petition for reinstatement of Respondent's real estate
3 salesperson license is denied.

4 This Order shall become effective at 12 o'clock noon
5 on February 6, 2002.

6 DATED: January 4, 2002.

7 PAULA REDDISH ZINNEMANN
8 Real Estate Commissioner

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cc: Kenneth Michael Strem
28622 N. Haskell Canyon Road
Saugus, CA 91350

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FILED
JUN 10 1996

DEPARTMENT OF REAL ESTATE

By [Signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)
)
THOMAS P. SKOUROS & ASSOCIATES,)
INC., THOMAS P. SKOUROS,)
individually and as designated)
officer of Thomas P. Skouros &)
Associates, STEVE ETIENNE STREM,)
and KENNETH MICHAEL STREM,)
)
Respondents.)

H-25939 LA
STIPULATION AND AGREEMENT
IN SETTLEMENT AND ORDER

It is hereby stipulated by and between KENNETH MICHAEL STREM (sometimes referred to as "Respondent"), acting by and through Bradley Stuart Sures, his attorney and the Complainant, acting by and through Sean Crahan, Counsel for the Department of Real Estate, as follows for the purpose of settling and disposing of the Accusation filed on September 29, 1994, and the Amendment to the Accusation filed on February 8, 1995, in this matter:

1. All issues which were to be contested and all evidence which was to be presented by Complainant and respondent

1 at a formal hearing on the Accusation, which hearing was to be
2 held in accordance with the provisions of the Administrative
3 Procedure Act ("APA"), shall instead and in place thereof be
4 submitted solely on the basis of the provisions of this
5 Stipulation and Agreement in Settlement and Order ("Stipulation").

6 2. Respondent has received, read and understood the
7 Statement to Respondent, the Discovery Provisions of the APA and
8 the Accusation filed by the Department of Real Estate in this
9 proceeding.

10 3. On October 13, 1994, Respondent filed a Notice of
11 Defense pursuant to Section 11505 of the Government Code for the
12 purpose of requesting a hearing on the allegations in the
13 Accusation. Respondent hereby freely and voluntarily withdraws
14 said Notice of Defense. Respondent acknowledges that he
15 understands that by withdrawing said Notice of Defense he thereby
16 waives his right to require the Commissioner to prove the
17 allegations in the Accusation at a contested hearing held in
18 accordance with the provisions of the APA and that he will waive
19 other rights afforded to him in connection with the hearing such
20 as the right to present evidence in defense of the allegations in
21 the Accusation and the right to cross-examine witnesses.

22 4. This Stipulation and Agreement in Settlement and
23 Order is based on the factual allegations contained in the
24 Accusation filed in this proceeding. In the interest of
25 expedience and economy, Respondent chooses not to contest these
26 factual allegations, but to remain silent and understand that, as
27 a result thereof, these factual statements, without being admitted



1 or denied, will serve as a prima facie basis for the disciplinary
2 action stipulated to herein. This Stipulation and Agreement in
3 Settlement and Order and the findings based on Respondent's
4 decision not to contest the Accusation are hereby expressly
5 limited to this proceeding and made for the sole purpose of
6 reaching an agreed disposition of this proceeding. The Real Estate
7 Commissioner shall not be required to provide further evidence to
8 prove such allegations.

9 5. This Stipulation is based on Respondent's decision
10 not to contest the allegations set forth in the Accusation as a
11 result of the agreement negotiated between the parties. This
12 Stipulation and the finding, express or implied, based on
13 Respondent's decision not to contest the Accusation, is made
14 expressly limited to this proceeding and any further proceeding
15 initiated by or brought before the Department of Real Estate based
16 upon the facts and circumstances alleged in the Accusation, and
17 made for the sole purpose of reaching an agreed disposition of
18 this proceeding. The decision of Respondent not to contest the
19 factual statements alleged, and as contained in the stipulated
20 Order, is made solely for the purpose of effectuating this
21 Stipulation. It is the intent and understanding of the parties
22 that this Stipulation shall not be binding or admissible against
23 Respondent in any actions against Respondent by third parties.

24 6. It is understood by the parties that the Real Estate
25 Commissioner may adopt the Stipulation as his decision in this
26 matter thereby imposing the penalty and sanctions on Respondent's
27 real estate licenses and license rights as set forth in the Order



1 hereinbelow. In the event that the Commissioner, in his
2 discretion, does not adopt the Stipulation, the Stipulation shall
3 be void and of no effect, and Respondent shall retain the right to
4 a hearing and proceeding on the Accusation under the provisions of
5 the APA and shall not be bound by any admission or waiver made
6 herein.

7 7. The Order or any subsequent Order of the Real Estate
8 Commissioner made pursuant to this Stipulation shall not
9 constitute an estoppel, merger or bar to any further
10 administrative or civil proceedings by the Department of Real
11 Estate with respect to any matters which were not specifically
12 alleged to be causes for accusation in this proceeding.

13 DETERMINATION OF ISSUES

14 By reason of the foregoing stipulations, admissions and
15 waivers and solely for the purpose of settlement of the pending
16 Accusation without a hearing, it is stipulated and agreed that the
17 following determination of issues shall be made:

18 I

19 The conduct of Respondent KENNETH MICHAEL STREM, as
20 described in Paragraphs fifteen (XV) through eighteen (XVIII)
21 constitutes negligence and/or incompetence and is cause to suspend
22 or revoke the real estate license and license rights of Respondent
23 KENNETH MICHAEL STREM under the provisions of Section 10177(g) of
24 the Code.

25 ORDER

26 WHEREFORE THE FOLLOWING ORDER IS MADE PURSUANT TO THE
27 WRITTEN STIPULATION OF THE PARTIES:

1 (1). The real estate salesperson license and license
2 rights of Respondent KENNETH MICHAEL STREM under the Real Estate
3 Law (Part 1 of Division 4 of the Business and Professions Code)
4 are hereby revoked.

5 (2). However, Respondent shall be entitled to apply for
6 and be issued a restricted real estate salesperson license if he
7 makes application therefor and pays to the Department of Real
8 Estate the appropriate fee for said license within ninety (90)
9 days of the effective date of the Order herein.

10 (3). The restricted real estate salesperson license
11 issued to Respondent shall be subject to all of the provisions of
12 Section 10156.7 of the Business and Professions Code and the
13 following limitations, conditions and restrictions imposed under
14 authority of Section 10156.6 of the Code:

15 A. The restricted license may be suspended prior to
16 hearing by order of the Real Estate Commissioner in the event of
17 respondent's conviction (including conviction of a plea of nolo
18 contendere) to a crime which bears a significant relationship to
19 respondent's fitness or capacity as a real estate licensee.

20 B. The restricted license may be suspended prior to
21 hearing by Order of the Real Estate Commissioner on evidence
22 satisfactory to the Commissioner that Respondent has, after the
23 effective date of the Order herein, violated provisions of the
24 California Real Estate Law, the Subdivided Lands Law, Regulations
25 of the Real Estate Commissioner or conditions attaching to said
26 restricted license.

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1 C. Respondent shall obey all laws of the United States,
2 the State of California and its political subdivisions, and shall
3 further obey and comply with all rules and regulations of the Real
4 Estate Commissioner.

5 D. Respondent shall not be eligible for the issuance of
6 an unrestricted real estate license nor the removal of any of the
7 conditions, limitations or restrictions of the restricted license
8 until at least one year has elapsed from the effective date of the
9 Order.

10 E. Respondent shall within nine months from the
11 effective date of this Decision, present evidence satisfactory to
12 the Commissioner that Respondent has, since the most recent
13 issuance of an original or renewal of a real estate license, taken
14 and successfully completed the continuing education requirements
15 of Article 5 of Chapter 3 of the Real Estate law for renewal of a
16 real estate license. If Respondent fails to satisfy this
17 condition, the Commissioner may order suspension of the
18 restricted license until Respondent presents such evidence. The
19 Commissioner shall afford Respondent the opportunity for a hearing
20 pursuant to the APA to present such evidence.

21 F. Respondent shall submit with any application for
22 license under an employing broker, or any application for transfer
23 to a new employing broker, a statement signed by the prospective
24 broker on a form approved by the Department which shall certify:

25 (a) That the employing broker has read the Decision of
26 the Commissioner which granted the right to a restricted
27 license; and



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(b) That the employing broker will exercise close supervision over the performance by the restricted licensee relating to activities for which a real estate license is required.

I have read the Stipulation and Agreement in Settlement and Order, have discussed it with my attorney, and its terms are understood by me and are agreeable and acceptable to me. I understand that I am waiving rights given to me by the California Administrative Procedure Act (including but not limited to Sections 11506, 11508, 11509 and 11513 of the Government Code), and I willingly, intelligently and voluntarily waive those rights, including the right of requiring the Commissioner to prove the allegations in the Accusation at a hearing at which I would have the right to cross-examine witnesses against me and to present evidence in defense and mitigation of the charges.

DATED: 2/23/96

Kenneth Michael Strem
KENNETH MICHAEL STREM, Respondent

DATED: _____

Bradley Stuart Sures
Bradley Stuart Sures, Counsel for Respondent

DATE: 5-2-96

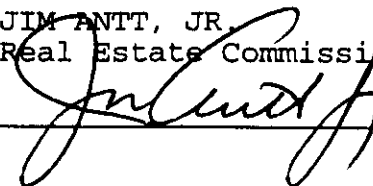
Sean Cranor
~~Seamus W. Wright~~ SEAN CRANOR
Counsel for Complainant

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The foregoing Stipulation and Agreement in Settlement
and Order in Case No. H-25939 LA, is hereby adopted by the
Commissioner as the Decision and shall become effective at 12
o'clock noon on July 1, _____, 1996.

IT IS SO ORDERED 5/29, 1996.

JIM ANTT, JR.
Real Estate Commissioner


1 Department of Real Estate
107 South Broadway, Room 8107
2 Los Angeles, California, 90012
3 (213) 897-3937

FILED
JUN 10 1996
DEPARTMENT OF REAL ESTATE

By 

8 DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * * * *

11 In the Matter of the Accusation of)
12 THOMAS P. SKOUROS & ASSOCIATES,)
13 INC., THOMAS P. SKOUROS,)
14 individually and as designated)
15 officer of Thomas P. Skouros &)
16 Associates, STEVE ETIENNE STREM)
and KENNETH MICHAEL STREM,)
Respondents.)

H-25939 LA

STIPULATION AND AGREEMENT

IN SETTLEMENT AND ORDER

17 It is hereby stipulated by and between STEVE ETIENNE
18 STREM, acting by and through Bradley Stuart Sures, his attorney and
19 the Complainant, acting by and through Sean Crahan, Counsel for the
20 Department of Real Estate, as follows for the purpose of settling
21 and disposing of the Accusation filed on September 29, 1994, and
22 the Amendment to the Accusation filed on February 8, 1995, in this
23 matter:

24 1. All issues which were to be contested and all
25 evidence which was to be presented by Complainant and respondent at
26 a formal hearing on the Accusation, which hearing was to be held in
27 accordance with the provisions of the Administrative Procedure Act

1 ("APA"), shall instead and in place thereof be submitted solely on
2 the basis of the provisions of this Stipulation and Agreement in
3 Settlement and Order ("Stipulation").

4 2. Respondent has received, read and understood the
5 Statement to Respondent, the Discovery Provisions of the APA and
6 the Accusation filed by the Department of Real Estate in this
7 proceeding.

8 3. On October 5, 1994, Respondent filed a Notice of
9 Defense pursuant to Section 11505 of the Government Code for the
10 purpose of requesting a hearing on the allegations in the
11 Accusation. Respondent hereby freely and voluntarily withdraws
12 said Notice of Defense. Respondent acknowledges that he
13 understands that by withdrawing said Notice of Defense he thereby
14 waives his right to require the Commissioner to prove the
15 allegations in the Accusation at a contested hearing held in
16 accordance with the provisions of the APA and that he will waive
17 other rights afforded to him in connection with the hearing such as
18 the right to present evidence in defense of the allegations in the
19 Accusation and the right to cross-examine witnesses.

20 4. This Stipulation and Agreement in Settlement and Order
21 is based on the factual allegations contained in the Accusation
22 filed in this proceeding. In the interest of expedience and
23 economy, Respondent chooses not to contest these factual
24 allegations, but to remain silent and understand that, as a result
25 thereof, these factual statements, without being admitted or
26 denied, will serve as a prima facie basis for the disciplinary
27 action stipulated to herein. This Stipulation and Agreement in

1 Settlement and Order and the findings based on Respondent's
2 decision not to contest the Accusation are hereby expressly limited
3 to this proceeding and made for the sole purpose of reaching an
4 agreed disposition of this proceeding. The Real Estate Commissioner
5 shall not be required to provide further evidence to prove such
6 allegations.

7 5. This Stipulation is based on Respondent's decision
8 not to contest the allegations set forth in the Accusation as a
9 result of the agreement negotiated between the parties. This
10 Stipulation and the finding, express or implied, based on
11 Respondent's decision not to contest the Accusation, is made
12 expressly limited to this proceeding and any further proceeding
13 initiated by or brought before the Department of Real Estate based
14 upon the facts and circumstances alleged in the Accusation, and
15 made for the sole purpose of reaching an agreed disposition of this
16 proceeding. The decision of Respondent not to contest the factual
17 statements alleged, and as contained in the stipulated Order, is
18 made solely for the purpose of effectuating this Stipulation. It
19 is the intent and understanding of the parties that this
20 Stipulation shall not be binding or admissible against respondent
21 in any actions against respondent by third parties.

22 6. It is understood by the parties that the Real Estate
23 Commissioner may adopt the Stipulation as his decision in this
24 matter thereby imposing the penalty and sanctions on Respondent's
25 real estate licenses and license rights as set forth in the Order
26 hereinbelow. In the event that the Commissioner, in his
27 discretion, does not adopt the Stipulation, the Stipulation shall

1 be void and of no effect, and Respondent shall retain the right to
2 a hearing and proceeding on the Accusation under the provisions of
3 the APA and shall not be bound by any admission or waiver made
4 herein.

5 7. The Order or any subsequent Order of the Real Estate
6 Commissioner made pursuant to this Stipulation shall not constitute
7 an estoppel, merger or bar to any further administrative or civil
8 proceedings by the Department of Real Estate with respect to any
9 matters which were not specifically alleged to be causes for
10 accusation in this proceeding.

11 DETERMINATION OF ISSUES

12 By reason of the foregoing stipulations, admissions and
13 waivers and solely for the purpose of settlement of the pending
14 Accusation without a hearing, it is stipulated and agreed that the
15 following determination of issues shall be made:

16 The conduct of Respondent STEVE ETIENNE STREM, as
17 described in Paragraphs seventeen (XVII) through eighteen (XVIII)
18 constitutes negligence and/or incompetence and is cause to suspend
19 or revoke the real estate license and license rights of Respondent
20 STEVE ETIENNE STREM under the provisions of Section 10177(g) of the
21 Code.

22 ORDER

23 WHEREFORE, THE FOLLOWING ORDER is hereby made:

24 A. All licenses and licensing rights of STEVE ETIENNE
25 STREM under Part 1 of Division 4 of the Business and Professions
26 Code are suspended for a period of thirty (30) days from the
27 effective date of the Order.

1 B. The suspension shall be stayed for one (1) year upon
2 the following terms and conditions:

3 (1) Respondent shall obey all laws, rules and
4 regulations governing the rights, duties, and responsibilities of a
5 real estate licensee in the State of California.

6 (2) That no final subsequent determination be made,
7 after hearing or upon stipulation, that cause for disciplinary
8 action occurred within one (1) year of the effective date of this
9 Order.

10 (3) If the Commissioner determines, after giving
11 Respondent notice and an opportunity to be heard, that a violation
12 of the conditions has occurred, the Commissioner may terminate the
13 stay and impose the stayed portion or otherwise modify the Order.
14 If Respondent successfully completes the terms and conditions of
15 the probation, the stay shall be permanent.

16 I have read the Stipulation and Agreement in Settlement
17 and Order, have discussed it with my attorney, and its terms are
18 understood by me and are agreeable and acceptable to me. I
19 understand that I am waiving rights given to me by the California
20 Administrative Procedure Act (including but not limited to Sections
21 11506, 11508, 11509 and 11513 of the Government Code), and I
22 willingly, intelligently and voluntarily waive those rights,
23 including the right of requiring the Commissioner to prove the
24 allegations in the Accusation at a hearing at which I would have
25 the right to cross-examine witnesses against me and to present
26 evidence in defense and mitigation of the charges.

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DATED: 2-18-96

Steve Etienne Strem
STEVE ETIENNE STREM, Respondent

DATED: 2-28-96

Bradley Stuart Sures
Bradley Stuart Sures, Counsel for Respondent

DATE: 5-2-96

Sean Crahan
George W. Wright, Counsel for Complainant **SEAN CRAHAN**

The foregoing Stipulation and Agreement in Settlement and Order in Case No. H-25939 LA, is hereby adopted by the Commissioner as the Decision and shall become effective at 12 o'clock noon on July 1, 1996.

IT IS SO ORDERED 5/29, 1996.

JIM ANTT, JR.
Real Estate Commissioner

Jim Antt Jr.

1 held in accordance with the provisions of the Administrative
2 Procedure Act ("APA"), shall instead and in place thereof be
3 submitted solely on the basis of the provisions of this
4 Stipulation.

5 2. Respondent has received, read and understands, the
6 Statement to Respondent, the Discovery Provisions of the APA and
7 the Accusation, filed by the Department of Real Estate in this
8 proceeding.

9 3. On October 19, 1994, Respondent filed a Notice of
10 Defense pursuant to Section 11505 of the Government Code for the
11 purpose of requesting a hearing on the allegations in the
12 Accusation. Respondent hereby freely and voluntarily withdraws
13 said Notice of Defense. Respondent acknowledges that it
14 understands that by withdrawing said Notice of Defense, it will
15 thereby waive its right to require the Commissioner to prove the
16 allegations in the Accusation at a contested hearing held in
17 accordance with the provisions of the APA and that it will waive
18 other rights afforded to it in connection with the hearing such as
19 the right to present evidence in defense of the allegations in the
20 Accusation and the right to cross-examine witnesses.

21 4. Respondent, pursuant to the limitations set forth
22 below, does not contest the allegations in the Accusation filed on
23 filed on September 29, 1994, but chooses to remain silent and
24 understands that, as a result thereof, the Real Estate
25 Commissioner may and will, as a result of this Stipulation, find
26 said allegations to be true with the result that the Real Estate
27



1 Commissioner may revoke Respondent's real estate license and
2 license rights.

3 5. It is understood by the parties that the Real
4 Estate Commissioner may adopt the Stipulation And Agreement In
5 Settlement and Order as his decision in this matter thereby
6 imposing the penalty and sanctions on Respondent's real estate
7 licenses and license rights as set forth in the below "Order". In
8 the event that the Commissioner in his discretion does not adopt
9 the Stipulation And Agreement In Settlement and Order, the
10 Stipulation And Agreement In Settlement and Order shall be void
11 and of no effect, and Respondent shall retain the right to a
12 hearing and proceeding on the Accusation under all the provisions
13 of the APA and shall not be bound by any admission or waiver made
14 herein.

15 6. The Order or any subsequent Order of the Real
16 Estate Commissioner made pursuant to this Stipulation shall not
17 constitute an estoppel, merger or bar to any further
18 administrative or civil proceedings by the Department of Real
19 Estate with respect to any matters which were not specifically
20 alleged to be causes for accusation in this proceeding. This
21 Stipulation and any order made pursuant to this Stipulation shall
22 have no collateral estoppel or res judicata effect in any
23 proceedings in which the Respondent and the Department (or the
24 Department's representative) are not parties. However, no ruling
25 in any action brought by a party other than the Respondent or the
26 Department shall effect the finality of the Decision entered in
27



1 these proceedings pursuant to this Stipulation And Agreement In
2 Settlement And Order.

3 *****

4 DETERMINATION OF ISSUES

5 By reason of the foregoing stipulations, admissions and
6 waivers and solely for the purpose of settlement of the pending
7 Accusation without a hearing, it is stipulated and agreed that the
8 following Determination of Issues shall be made:

9 The conduct or omissions of Respondent and THOMAS P.
10 SKOUROS & ASSOCIATES, INC., as set forth in paragraphs ten (X)
11 through twelve (XII) of the Accusation constitutes a violation of
12 Section 10137 of the California Business and Professions Code and
13 is cause to suspend or revoke its real estate license and license
14 rights under the provisions of Business and Professions Code
15 Section 10137.

16 ORDER

17 WHEREFORE, THE FOLLOWING ORDER is hereby made:

18 The corporate real estate broker license and licensing
19 rights of Respondent THOMAS P. SKOUROS & ASSOCIATES, INC., under
20 Part 1 of Division 4 of the Business and Professions Code are
21 hereby revoked.

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1 I have read the Stipulation And Agreement In Settlement
2 And Order, and its terms are understood by me and are agreeable
3 and acceptable to me. I understand that I am waiving rights given
4 to me by the California Administrative Procedure Act (including
5 but not limited to Sections 11506, 11508, 11509 and 11513 of the
6 Government Code), and I willingly, intelligently and voluntarily
7 waive those rights, including the right of requiring the
8 Commissioner to prove the allegations in the Accusation at a
9 hearing at which I would have the right to cross-examine witnesses
10 against me and to present evidence in defense and mitigation of
11 the charges.

12 DATED: 1/27/96

Thomas P. Skouros
13 THOMAS P. SKOUROS & ASSOCIATES, INC.,
14 Respondent by Doris Skouros,
Corporate Secretary

15 DATED: Jan 25, 1996

George W. Wright
16 George W. Wright, Counsel for the
17 Complainant

18 The foregoing Stipulation and Agreement In Settlement in
19 Case No. H-25939 LA is hereby adopted as my Order and shall become
20 effective at 12 o'clock noon on March 6, 1996.

21 IT IS SO ORDERED 2/8, 1996.

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24 JIM ANTT, JR.
25 Real Estate Commissioner
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Jim Antt Jr

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
AUG 31 1995
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

THOMAS P. SKOUROS & ASSOCIATES, INC.,
et al.,

}

By *K. Krieger*

Case No. H-25939 LA

OAH No. L-9507167

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at _____
Office of Administrative Hearings, 314 West First Street, Los Angeles

on February 7 & 8, 1996, at the hour of 9:00 a.m.
or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

The hearing shall be conducted in the English language. If you want to offer the testimony of any witness who does not proficiently speak the English language, you must provide your own interpreter. The interpreter must be approved by the Administrative Law Judge conducting the hearing as someone who is proficient in both English and the language in which the witness will testify. You are required to pay the costs of the interpreter unless the Administrative Law Judge directs otherwise.

DEPARTMENT OF REAL ESTATE

AUG 31 1995

Dated: _____

By *George W. Livingston*
Counsel

cc: Thomas P. Skouros & Assoc.
Thomas Peter Skouros
Steve Etienne Strem
Kenneth Michael strem
Stanley R. Arnold, Esq.
RE 501 (1/92) Sacto OAH
kw

Sacto

BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

FILED
FEB 15 1995
DEPARTMENT OF REAL ESTATE

In the Matter of the Accusation of

THOMAS P. SKOUROS & ASSOCIATES,
INC., et al.,

}

By K. Kuderhlt

Case No. H-25939 LA

OAH No. L-10189

Respondent

NOTICE OF HEARING ON ACCUSATION

To the above named respondent:

You are hereby notified that a hearing will be held before the Department of Real Estate at _____
Office of Administrative Hearings, 314 West First Street, Los Angeles

on May 10 and 11, 1995, at the hour of 9:00 a.m.
or as soon thereafter as the matter can be heard, upon the Accusation served upon you.

You may be present at the hearing. You have the right to be represented by an attorney at your own expense. You are not entitled to the appointment of an attorney to represent you at public expense. You are entitled to represent yourself without legal counsel. If you are not present in person nor represented by counsel at the hearing, the Department may take disciplinary action against you based upon any express admission or other evidence including affidavits, without any notice to you.

You may present any relevant evidence and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents or other things by applying to the Department of Real Estate.

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DEPARTMENT OF REAL ESTATE

Dated: February 14, 1995

By George W. Wright
Counsel

cc: Thomas P. Skouros & Assoc.
Thomas P. Skouros
Steve Etienne Strem
Kenneth Michael Strem
RE 501 (1/92) Stanley Arnold, Esq.
Sacto OAH CV

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George Wright, Staff Counsel
Department of Real Estate
107 South Broadway, Room 8107
Los Angeles, CA 90012
(213) 897-3937

FILED
FEB - 8 1995
DEPARTMENT OF REAL ESTATE

By K. Stuedebols

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of)	
THOMAS P. SKOUROS & ASSOCIATES,)	H-25939 LA
INC., THOMAS P. SKOUROS,)	
individually and as designated)	A M E N D M E N T
officer of Thomas P. Skouros &)	
Associates, STEVE ETIENNE STREM,)	T O
and KENNETH MICHAEL STREM,)	A C C U S A T I O N
Respondents.)	

The Accusation filed heretofore on September 19, 1994, in the above-entitled matter, is hereby amended as follows:

By amending page 4, Paragraph IX in the Accusation to read:

IX

"At all times mentioned herein, for or in expectation of compensation, ASSOCIATES engaged in the business of, acted in the capacity of, advertised or assumed to act as a real estate broker in the State of California, within the meaning of Sections 10131(d) and 10131.1 of the Code, including the operation of a

I

1
2 The Complainant, Steven J. Ellis, a Deputy Real Estate
3 Commissioner of the State of California, makes this Accusation in
4 his official capacity.

5 II

6 At all times mentioned herein, THOMAS P. SKOUROS &
7 ASSOCIATES, INC., ("ASSOCIATES"), doing business as "American
8 Pacific Business Group", was and still is licensed by the
9 Department of Real Estate of the State of California
10 ("Department") as a corporate real estate broker.

11 III

12 At all times herein mentioned, THOMAS P. SKOUROS
13 ("Skouros"), doing business as "S & R Financial", was and still is
14 licensed by the Department as a real estate broker in his
15 individual capacity and also as the designated officer of
16 ASSOCIATES. As the designated officer of ASSOCIATES, SKOUROS was
17 responsible for the supervision and control of the activities
18 conducted on behalf of ASSOCIATES by its officers and employees as
19 necessary to secure full compliance with the Real Estate Law as
20 set forth in Section 10159.2 of the Code.

21 IV

22 At all times herein mentioned, STEVE ETIENNE STREM ("S.
23 STREM"), was licensed by the Department as a real estate
24 salesperson employed under the individual broker license of
25 SKOUROS.

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V

At all times herein mentioned, KENNETH MICHAEL STREM ("K. STREM"), was licensed by the Department as a real estate salesperson. On or about March 26, 1992, K. STREM was employed under the corporate broker license of ASSOCIATES. On or about January 14, 1993, K. STREM was employed under the individual broker license of SKOUROS.

VI

At no time mentioned herein has John Michael Thomas ("Thomas") been licensed by the Department as a real estate broker or as a real estate salesperson licensed under the licenses of THOMAS P. SKOUROS & ASSOCIATES, INC. or THOMAS P. SKOUROS.

VII

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Chapter 6, Title 10, California Code of Regulations.

VIII

All further references to ASSOCIATES shall include ASSOCIATES and SKOUROS and shall be deemed to refer to the officers, employees, agents and real estate licensees employed by or associated with ASSOCIATES, who at all times herein mentioned were engaged in the furtherance of the business or operations of ASSOCIATES, and who were acting within the course and scope of their authority and employment.

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IX

1
2 At all times mentioned herein, for or in expectation of
3 compensation, ASSOCIATES engaged in the business of, acted in the
4 capacity of, advertised or assumed to act as a real estate broker
5 in the State of California, within the meaning of Sections
6 10131(d) and 10131.2 of the Code, including the operation of a
7 mortgage loan brokerage business with the public wherein lenders
8 and borrowers were solicited for loans secured directly or
9 collaterally by liens on real property, wherein such loans were
10 arranged, negotiated, processed, and consummated on behalf of
11 others for compensation or in expectation of compensation. In
12 conjunction with these activities, ASSOCIATES conducted broker
13 escrow business.

X

14
15 On or about September 15, 1992, SKOUROS entered into a
16 one year "Supervising Broker's Agreement" with American Pacific
17 Business Group ("American"), a corporation which was then owned by
18 Thomas. The agreement provided that SKOUROS would add American as
19 a fictitious business name to the corporate license of ASSOCIATES
20 for which SKOUROS would be paid a monthly fee of \$450.00. On or
21 about September 24, 1992, the fictitious business name was added
22 to the corporate broker license of ASSOCIATES. This affiliation
23 was canceled on May 17, 1993.

XI

24
25 During the month of October, 1992, Thomas negotiated and
26 solicited with Mr. Kurt Bromet ("Bromet") for funds to invest in a
27 short-term loan to James Robert Duhamel ("Duhamel") who needed to

1 borrow \$262,500. Bromet was introduced to Thomas and told that
2 Thomas was an officer of American. Thomas told Bromet that Duhamel
3 had a deposit of \$125,000 and needed an additional \$262,500 to put
4 into the escrow to purchase a house located at 1013 N. Beverly
5 Drive, Beverly Hills, CA. Thomas induced Bromet to invest in the
6 loan to Duhamel by promising Bromet that he would receive interest
7 in the amount of \$13,125 and that the loan would be repaid by or
8 before February 8, 1993, whether or not the escrow closed.
9 Furthermore, Thomas stated that if an extension of the loan was
10 required, Bromet would receive \$2,625 for each week that the loan
11 was extended. Finally, Thomas said that Bromet's funds were
12 indemnified against loss as there was monetary insurance in the
13 amount of \$2,500,000 pursuant to an indemnification agreement
14 between American and California Investor's Trust. Bromet agreed to
15 the investment and on January 8, 1993, he tendered \$262,500 to
16 Thomas.

17 XII

18 On or about February 8, 1993, Thomas contacted Bromet
19 and requested an extension of the loan for one week. Bromet agreed
20 to the extension. Bromet subsequently agreed to nine additional
21 extensions. At the time of the last extension, Bromet became
22 suspicious of Thomas, American and California Investor's Trust and
23 requested an investigation of them by his attorney. The attorney
24 discovered that there were no such legitimate entity offering any
25 indemnification insurance. All further attempts by Bromet to
26 contact either Thomas or American Pacific Business Group have been
27 unsuccessful and he is still owed his monies. THOMAS violated

1 Section 10130 of the Code in conjunction with Section 10131(d) of
2 the Code by performing said acts which require a license without
3 first obtaining a license as a real estate broker or as a real
4 estate salesperson employed by a real estate broker. ASSOCIATES by
5 and through the acts of SKOUROS violated Section 10137 of the Code
6 by employing and/or compensating THOMAS for these acts.

7 XIII

8 On or about August 28, 1992, SKOUROS entered into a one
9 year "Supervising Broker's Agreement" with K. STREM and S. STREM.
10 The agreement allowed both of the STREMS to operate a mortgage
11 loan business under SKOUROS'S broker license for a fee of \$450.00
12 per month using his fictitious business name, S & R Financial. On
13 or about August 28, 1992, S & R Financial falsely advertised that
14 it could refinance real property loans at an interest rate of
15 7.125% with "No Appraisal, Credit Report or Application fees". The
16 advertisement directed prospective borrowers to "call Ken".

17 XIV

18 On or about September 14, 1992, K. STREM solicited and
19 negotiated with Raymond V. and Deanna M. Bercini (collectively the
20 "Bercinis"), by offering to arrange a \$168,000, 30-year, fixed
21 rate loan at an interest rate of 7.625% and at a cost of 3/4 of a
22 loan point fee. On or about October 9, 1992, K. STREM informed the
23 Bercinis that they had approval on a loan for 30 years, all due
24 and payable in 5 years, at an interest rate of 7.75% and 3/4 point
25 loan fee. The Bercinis rejected the loan terms so K. STREM said
26 that he could get them a 30-year, fixed rate loan at an interest
27 rate of 7.75% and at a cost of one and 3/4 points. He stated that

1 the rate would be locked in. The Bercinis were disappointed in
2 the higher interest rate and loan fee but agreed to these terms.

3 XV

4 The Bercinis called K. STREM on numerous occasions to
5 confirm the interest rate but were never able to speak to him. On
6 or about October 30, 1992, the Bercinis called the lender for
7 confirmation of the loan terms and were told that the loan had
8 been sitting on the desk since October 9, 1992, and that it was a
9 30 year loan due in five years, with no locked-in interest rate.
10 The Bercinis were then finally able to contact K. STREM. They
11 confirmed the earlier loan terms with K. STREM not telling him
12 that they had spoken to the lender. He confirmed that the rate of
13 7.75% was locked in and that it was a 30 year loan with a loan
14 point fee of one and 3/4%. K. STREM then faxed a letter to the
15 Bercinis confirming these terms.

16 XVI

17 The Bercinis continued to receive misrepresentations by
18 K. STREM as to the loan terms. The Bercinis were continually told
19 that the loan terms were the same despite contrary assertions from
20 the lender. On or about November 16, 1992, the Bercinis contacted
21 the loan company (D & G Escrow) and discovered that the loan was
22 for 30 years but due in five, the interest rate was 7.3%, and the
23 loan fee was one and 1/4 points.

24 XVII

25 After numerous attempts to clarify the terms of the
26 loan, the Bercinis contacted S & R Financial and spoke with S.
27 STREM. They explained the situation to him and he assured them

1 that he would look into the situation and take care of the
2 problem. The Bercinis again contacted the escrow company and were
3 told that K. STREM had switched lenders and the new lender,
4 Countrywide Lending, had not yet received any of the documents.
5 The former lender, California Mortgage, subsequently sent a letter
6 of termination of the loan dated November 17, 1992.

7 XVIII

8 On or about November 17, 1992, the Bercinis learned from
9 S. STREM that the interest rate was not locked in and in fact that
10 they had no loan. S. STREM suggested meeting with the Bercinis to
11 work out some arrangement and came to their house on or about
12 November 30, 1992. S. STREM then offered them a 30 year loan due
13 in 7 years with an interest rate of 7.75% with no points. Because
14 it was now over two and a half months since they had applied for a
15 loan, and they felt that they could not afford to start the whole
16 loan approval process with a new broker, the Bercinis accepted the
17 loan terms.

18 XIX

19 The conduct of ASSOCIATES and SKOUROS, as alleged
20 hereinabove in Paragraphs X through XII, constitutes cause for the
21 suspension or revocation of all licenses and/or license rights of
22 the Respondents under Sections 10137 and 10177(d) of the Code.
23 SKOUROS failed to comply with Section 10159.2 of the Code by
24 allowing THOMAS to perform licensed activities during the time
25 that SKOUROS was the designated officer of ASSOCIATES. This
26 conduct is cause for the suspension or revocation of SKOUROS'
27 license and/or license rights under Section 10177(h) of the Code.

